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FOND DU LAC COUNTY, WISCONSIN Statement of Net Position December 31, 2013

Activities Busine Governmental Busine Activities Activities 28,000,313 \$ 1,8 2,149,568 39,899,763 1,738,570 827,449,929	### Business-type Activities Activities Activities 1,518,436	Total 29,518,749 2,149,568 40,255,726 2,737,351	June 30, 2013 Housing Authority \$ 129,937 134,735
8 8 0 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0 8 -	29,518,749 2,149,568 40,255,726 2,737,351	Authorib Authorib 129, 134,
θ	+36 - - 963 781	29,518,749 - 2,149,568 40,255,726 2,737,351	129,
↔		29,518,749 - 2,149,568 40,255,726 2,737,351	134,
	355,963 998,781	2,149,568 40,255,726 2,737,351	134,73
	- 355,963 998,781	2,149,568 40,255,726 2,737,351	, , 66 366
	- 355,963 998,781	2,149,568 40,255,726 2,737,351	- 3
	355,963 998,781	40,255,726 2,737,351	390
	998,781	2,737,351	390
29			
1	1	27,449,929	1
62,525	1	62,525	157
\overline{z}	,637,020)	ı	ı
3,818,977	,284,501	5,103,478	171
	1,276,417	2,089,808	16,577
	504,134	5,628,779	1
	504,300	8,723,611	17,387
	591,808	22,019,304	ī
	779,130	70,289,359	2,781,801
~	589,984	34,794,246	94,907
27	1	95,917,927	•
(81,426,839) (27,9	954,987)	(109,381,826)	(1,847,076)
	811 447	737 358 534	1 328 994
813,391 5,124,645 7,219,311 7,427,496 56,510,229 19,204,262 95,917,927 (81,426,839)	14, 13, 15, 27,	504,134 1,504,300 14,591,808 13,779,130 15,589,984 - (27,954,987)	

FOND DU LAC COUNTY, WISCONSIN Statement of Net Position (continued) December 31, 2013

					Component Unit
		Prim	Primary Government		June 30, 2013
	Ø.	Governmental E Activities	Business-type Activities	Total	Housing Authority
LIABILITIES					
Accounts payable		1,103,303	621,253	1,724,556	5,687
Accrued payroll liabilities		3,321,697	887,280	4,208,977	5,559
Accrued interest payable		721,969	ı	721,969	ı
Due to other governments		1,858,330	6,479	1,864,809	33,636
Unearned revenues		631,181	203,439	834,620	58
Other liabilities		91,310	1	91,310	13,633
Long-term obligations					
Due within one year		10,725,358	289,334	11,014,692	ī
Due in more than one year		67,580,180	255,001	67,835,181	7,756
TOTAL LIABILITIES		86,033,328	2,262,786	88,296,114	66,329
DEFERRED INFLOWS OF RESOURCES Property taxes		39,899,764	355,963	40,255,727	1
NET POSITION Net investment in capital assets		88,427,031	17,890,727	106,317,758	1,047,019
Restricted		9,804,791	1	9,804,791	134,677
Unrestricted (deficit)		(8,617,827)	1,301,971	(7,315,856)	80,969
TOTAL NET POSITION	↔	89,613,995 \$	19,192,698 \$	\$ 108,806,693	\$ 1,262,665

The notes to the basic financial statements are an integral part of this statement.

FOND DU LAC COUNTY, WISCONSIN Statement of Activities Year Ended December 31, 2013

			Prin	Primary Government	ent			Component
		Δ.	Program Revenues		Net (F and Cha	Net (Expense) Revenue and Changes in Net Position	nue sition	Unit June 30, 2013
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Confributions	Governmental Activities	Business- type Activities	Total	Housing Authority
PRIMARY GOVERNMENT Governmental Activities								
General government	\$ 9,867,680	\$ 4,047,370	\$ 591,557 \$	1	\$ (5,228,753) \$	1	\$ (5,228,753)	; \$
Public safety	17,748,480		193,013	ī	(16,131,311)	1	(16,131,311)	ī
Public works	5,855,862	•	2,361,297	•	(3,494,565)	1	(3,494,565)	ı
Health and human services	38,419,377	7,222,751	19,972,936	1	(11,223,690)	,	(11,223,690)	ı
Culture, recreation and education	3,961,706	327,645	127,379	1	(3,506,682)	ı	(3,506,682)	ı
Conservation and development	1,164,753	380,511	289,941	ı	(494,301)	1	(494,301)	ı
1 Interest on debt	1,905,490	1	•	•	(1,905,490)	1	(1,905,490)	•
Total Governmental Activities	78,923,348	13,402,433	23,536,123	*	(41,984,792)		(41,984,792)	9
Business-type Activities				1				
Highway	17,516,614	18,004,779	5,284	280,767	1	774,216	774,216	ì
Harbor Haven Health & Rehab	9,763,685	8,070,063	1,008,016	1	•	(685,606)	(685,606)	1
Airport	602,727	139,926	•	48,770	ſ	(414,031)	(414,031)	ı
Golf Course	1,159,308	906,894	ı	1	,	(252,414)	(252,414)	ī
Landfill	112,681	16,320	1	ı	•	(96,361)	(96,361)	1
Total Business-type Activities	29,155,015	27,137,982	1,013,300	329,537		(674,196)	(674,196)	
Total Primary Government	\$ 108,078,363	\$ 40,540,415	\$ 24,549,423 \$	329,537	(41,984,792)	(674,196)	(42,658,988)	Touristical (Marie)
COMPONENT UNIT Housing Authority	\$ 2,076,449 \$	\$ 113,007	\$ 1,821,687 \$	39,656	1	ı	i	(102,099)

FOND DU LAC COUNTY, WISCONSIN Statement of Activities (continued) Year Ended December 31, 2013

	Primary Government	nent	- Same Andrews - Same	Annual designation of the second seco	Component
	Program Revenues	Net and Ch	Net (Expense) Revenue and Changes in Net Position	nue sition	Unit June 30, 2013
	Operating Capital	Governmental	Business-		
Functions/Programs	Contributions		Activities	Total	Authority
	General revenues				
	Property taxes, levied for general purposes	32,621,703	1,278,100	33,899,803	ŧ
	Property taxes, levied for debt service	5,507,526	,	5,507,526	1
	County sales tax	6,932,704		6,932,704	ī
	Other taxes	981,798	•	981,798	,
	State and federal aids not restricted to specific				
7	functions	3,076,961	•	3,076,961	ī
8	Interest and investment earnings	194,935	208	195,143	288
	Gain on sale of capital assets	144,470	•	144,470	j
	Miscellaneous	181,291	69,552	250,843	5,521
	Prior year revenue	96,655	1	96,655	ı
	Transfers	36,256	(36,256)	ſ	•
	Total general revenues and transfers	49,774,299	1,311,604	51,085,903	5,809
	Change in net position	7,789,507	637,408	8,426,915	(96,290)
	Special item (Note C. 11)	1,665,132	564,166	2,229,298	
	Net position - beginning of year Prior period adjustment (Note D.8)	79,578,128 581,228	17,991,124	97,569,252 581,228	1,358,955
	Net position - beginning of year (Restated)	80,159,356	17,991,124	98,150,480	1,358,955

The notes to the basic financial statements are an integral part of this statement.

1,262,665

\$ 89,613,995 \$ 19,192,698 \$ 108,806,693 \$

Net position - end of year

FOND DU LAC COUNTY, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2013

		General	County Road & Bridge	Dept of Community Programs	Dept of Social Services	Debt Service	Total Nonmajor Governmental Funds	Total Governmenta Funds	mental ds
ASSETS Cash and investments Receivables	↔	19,150,590	\$ 3,224,588	\$ 511,977 \$	1,180,413	\$ 3,724,366	\$ 94,176	\$ 27,8	27,886,110
Taxes Accounts Loans		21,795,930 766,838 44,545,929	2,937,349	4,558,292 193,366 -	7,720,818	5,393,623	302	4,7,4	42,406,012 1,147,744 44 545 929
Allowance for forgiveness		(17,096,000)	1	1	ı	ŧ	ı	(17,0	(17,096,000)
Accrued interest Due from other funds		62,294 1,637,020	1 1	1 1	1 1	l i	231	7	62,525 1.637.020
Due from other governments Inventories and prepaid items		2,031,975	1 1	302,450	1,484,552		2 792	ີ້ຕົ່	3,818,977
TOTAL ASSETS	₩		\$ 6,161,937	\$ 5,688,787 \$	10,751,959	\$ 9,117,989	\$ 97,501	\$ 105,2	105,205,814
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES Liabilities	ANC	ES							
Accounts payable	69	601,957	ı ₩	\$ 189,309 \$	279,636	· •	\$ 18,051	3,1	1,088,953
Accrued payroll liabilities Due to other governments		2,056,064		483,926	719,584	1	15,902	ώ, 4	3,275,476
Une to outer governments Unearned revenues		360,263 158,789		-4401	1,230,604		1 1	<u>-</u> ,	1,858,330 631,181
Other liabilities		85,380	-	•	5,930	1	t		91,310
Total Liabilities		3,282,455	1	950,696	2,708,146	3	33,953	6,6	6,945,250
Deferred Inflows of Resources		7	000000000000000000000000000000000000000	000	1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	000		,	7
Loans receivable		27,449,929	2,331,343	4,000,292	010,027,7	5,585,625		40,0 27,7	40,331,270 27 449 929
Other		200,414	i	ı	1	1	ı	. ``	200,414
Total Deferred Inflows of Resources		47,591,531	2,937,349	4,558,292	7,720,818	5,393,623		68,2	68,201,613

(Continued)

(Continued)

FOND DU LAC COUNTY, WISCONSIN Balance Sheet (continued) Governmental Funds December 31, 2013

		County Road &	Dept of Community	Dept of Social	Debt	l otal Nonmajor Governmental	Total Governmental
	General	Bridge	Programs	Services	Service	Funds	Funds
und Balances							
Non-spendable	3,287,140	1	122,702	178,938	ı	2,792	3,591,572
Restricted	6,030,425	•	ı		3,724,366	50,000	9,804,791
Assigned	6,169,228	3,224,588	87,097	144,057		13,548	9,638,518
Unassigned (deficit)	7,026,862	•	ı	1	1	(2,792)	7,024,070
Total Fund Balances	22,513,655	3,224,588	209,799	322,995	3,724,366	63,548	30,058,951
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES							
AND FUND BALANCES	\$ 73,387,641	\$ 6,161,937	,641 \$ 6,161,937 \$ 5,688,787 \$	1	10,751,959 \$ 9,117,989 \$		97,501 \$ 105,205,814

Fund Balances Non-spendable

FOND DU LAC COUNTY, WISCONSIN
Balance Sheet (continued)
Governmental Funds
December 31, 2013

Position:
Net
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Statement
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Reconciliation

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The notes to the basic financial statements are an integral part of this statement.

Net Position of Governmental Activities as reported on the Statement of Net Position (See pages 15 - 16)

89,613,995

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FOND DU LAC COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2013

		County	Dept of	Dept of		Total Nonmajor	Total
	General	Road & Bridge	Community Programs	Social Services	Debt Service	Governmental Funds	Governmental Funds
Revenues				entricing the first control of the c			
Taxes	\$ 22,097,601	\$ 5,718,077	\$ 4,583,499	\$ 7,583,940	\$ 6,084,494	, &	\$ 46,067,611
Intergovernmental	6,456,228	2,361,297	3,461,551	13,344,544	ı	379,567	26,003,187
Licenses and permits	405,842		i.	ı	i	1	405,842
Fines and forfeits	573,122	t	ì	ı	1	1	573,122
Public charges for services	3,347,102	ı	2,099,658	573,629	ŧ	126,999	6,147,388
Intergovernmental charges for services	2,545,864	•	2,452,015	60,250	ı	10,570	5,068,699
Interdepartmental charges for services	2,861,614	i	282,905	258,676	1	ŧ	3,403,195
Miscellaneous	927,427	1	205	54,545	1	1,620	984,099
Investment earnings	194,434	1	ı	1	1	1	194,434
Prior year revenue	96,655	ı	279,084	8,667	1	1	384,406
Total Revenues	39,505,889	8,079,374	13,159,219	21,884,251	6,084,494	518,756	89,231,983
Expenditures							
Current							
General government	11,931,569	ı	ı	1	i	1	11,931,569
Public safety	16,635,761	ı	1	i	ı	2,532	16,638,293
Public works	1	11,325,023	ı	1	ı	1	11,325,023
Health and human services	6,177,019	I	11,986,631	20,570,087	I	536,014	39,269,751
Culture, recreation and education	3,315,904	1	ī	1	ı	1	3,315,904
Conservation and development	2,247,807	ı	ı	ı	ı	1	2,247,807
Capital outlay	63,441	1	ı	I	ī	1	63,441
Debt service							
Principal	ŧ	ı	1	ı	8,995,000	f	8,995,000
Interest and fiscal charges	Table 1		ı	1	2,059,885	г	2,059,885
Total Expenditures	40,371,501	11,325,023	11,986,631	20,570,087	11,054,885	538,546	95,846,673

(Continued)

FOND DU LAC COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Governmental Funds
Year Ended December 31, 2013

	General	County Road & Bridge	Dept of Community Programs	Dept of Social Services	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
Excess (Deficit) of Revenues Over Expenditures	(865,612)	(3,245,649)	1,172,588	1,314,164	(4,970,391)	(19,790)	(6,614,690)
Other Financing Sources (Uses) Long term debt issued	6,148,200	4,475,000		ı	376,800	1	11,000,000
Loan repayment	ı	1	i	ı	3,827,589	ı	3,827,589
Issuance premium on long term debt	•	ı	1	1	140,664	i	140,664
w Debt issuance costs	ı	ı	i	f .	(95,755)	1	(95,755)
Transfers in	2,389,671	272,457	1	ı	i	18,878	2,681,006
Transfers out	(251,675)	ı	(1,001,364)	(1,231,166)	(3,404)	1	(2,487,609)
Total Other Financing Sources (Uses)	8,286,196	4,747,457	(1,001,364)	(1,231,166)	4,245,894	18,878	15,065,895
Net Change in Fund Balances	7,420,584	1,501,808	171,224	82,998	(724,497)	(912)	8,451,205
Fund Balances - Beginning of Year	15,093,071	1,722,780	38,575	239,997	4,448,863	64,460	21,607,746
Fund Balances - End of Year	\$ 22,513,655	\$ 3,224,588	\$ 209,799	\$ 322,995 \$	\$ 3,724,366	\$ 63,548	\$ 30,058,951

FOND DU LAC COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance (continued)
Governmental Funds
Year Ended December 31, 2013

Reconciliation to the Statement of Activities:

Š	Net Change in Fund Balances from previous page	↔	8,451,205
Απ	Amounts reported for governmental activities in the statement of activities are different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense. Capital outlay Depreciation expense	\$ 11,075,556 (6,865,660)	4,209,896
	The net effect of the loss on disposal of capital assets is to decrease net position.		(7,229)
24	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,923,337)
	The net expenditure of the central maintenance internal service fund is reported with governmental activities.		27,673
	The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Debt issued or incurred:		
	Issuance of general obligation promissory notes Principal repayments:	(11,000,000)	
	debt	8,995,000	(2,005,000)
	Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Expense transactions:	, , , , , , , , , , , , , , , , , , ,	
	Compensated absences Accrued interest Amortization of debt premium	12,548 109,486 (85,735)	36,299
	Change in Net Position of Governmental Activities as reported on the Statement of Activities (see pages 17 - 18)	S	7,789,507

The notes to the basic financial statements are an integral part of this statement.

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Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended December 31, 2013

D.		Budgeted Original	An	nounts Final		Actual Amounts	Fi	ariance with nal Budget - Positive (Negative)
Revenues	_		_		_		_	07.4.500
Taxes	\$	21,671,240	\$	21,423,012	\$	22,097,601	\$	674,589
Intergovernmental		6,313,700		6,572,482		6,456,228		(116,254)
Licenses and permits		379,768		379,768		405,842		26,074
Fines and forfeits		619,500		619,500		573,122		(46,378)
Public charges for services		3,492,483		3,514,123		3,347,102		(167,021)
Intergovernmental charges for services		2,329,788		2,658,177		2,545,864		(112,313)
Interdepartmental charges for services		2,632,829		2,833,093		2,861,614		28,521
Miscellaneous		707,085		724,295		1,218,516		494,221
Total Revenues		38,146,393		38,724,450		39,505,889		781,439
Expenditures Current								
General government		12,141,515		13,346,726		11,931,569		1,415,157
Public safety		16,750,920		17,167,817		16,635,761		532,056
Health and human services		6,932,991		7,379,059		6,177,019		1,202,040
Culture, recreation and education		3,378,709		4,031,789		3,315,904		715,885
Conservation and development		2,384,341		2,835,316		2,247,807		587,509
Capital outlay		115,000		109,555		63,441		46,114
Contingency		-		174,848		-		174,848
Total Expenditures		41,703,476		45,045,110		40,371,501		4,673,609
Excess (Deficit) of Revenues Over Expenditures		(3,557,083)		(6,320,660)		(865,612)		5,455,048
Over Experialities		(3,337,003)		(0,320,000)		(000,012)		0,400,040
Other Financing Sources (Uses) Long Term Debt Issued		610,200		753,174		6,148,200		5,395,026
Transfers in		-		_		2,389,671		2,389,671
Transfers out		(116,625)		(131,915)		(251,675)		(119,760)
Total Other Financing Sources (Uses)		493,575		621,259		8,286,196		7,664,937
Net Change in Fund Balance		(3,063,508)		(5,699,401)		7,420,584		13,119,985
Fund Balance - Beginning of Year		15,093,071		15,093,071		15,093,071		_
Fund Balance - End of Year	\$	12,029,563	\$	9,393,670	\$	22,513,655	\$	13,119,985

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Road & Bridge Fund
Year Ended December 31, 2013

		Budgeted	lΛω	nounto		A at sal	1911/1919	ariance with nal Budget - Positive
		Original	-\/\	Final		Actual Amounts	,	Negative)
Revenues	1111111	Onginai	<u> Hiddi</u>	grand and according to the section of		7 tinounts		ricgative):
Taxes								
Property	\$	2,807,420	\$	2,818,077	\$	2,818,077	\$	_
County sales	,	2,900,000	·	2,900,000	,	2,900,000	·	-
Intergovernmental				, ,		, ,		
CHIPS funding		580,320		580,320		580,393		73
Local transportation aids		1,777,000		1,773,399		1,780,904		7,505
Total Revenues		8,064,740		8,071,796		8,079,374		7,578
Expenditures Current Public works								
County highway maintenance		8,526,950		8,950,901		7,211,783		1,739,118
County highway winter maintenance		1,702,430		2,002,430		2,211,122		(208,692)
County construction/road & bridge		3,559,910	•	3,412,726		1,902,118		1,510,608
Total Expenditures		13,789,290		14,366,057		11,325,023		3,041,034
Excess (Deficit) of Revenues Over Expenditures		(5,724,550)		(6,294,261)		(3,245,649)		3,048,612
		(0,121,000)		(0,201,201)		(0,210,010)		0,010,012
Other Financing Sources								
Long-term debt issued		4,475,504		4,475,504		4,475,000		(504)
Transfers in		-		322,980		272,457		(50,523)
Total Other Financing Sources		4,475,504		4,798,484		4,747,457		(51,027)
Net Change in Fund Balance		(1,249,046)		(1,495,777)		1,501,808		2,997,585
Fund Balance - Beginning of Year		1,722,780		1,722,780		1,722,780		-
Fund Balance - End of Year	\$	473,734	\$	227,003	\$	3,224,588	\$	2,997,585

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Department of Community Programs Year Ended December 31, 2013

		Budgeted Original	l Am	nounts Final		Actual Amounts	Variance Final Bu Positi (Negat	dget - ive
Revenues	1111111	Original			13551111	minounts	hivegai	J.V. C. J. H. H. H.
Taxes								
Property taxes	\$	4,508,499	\$	4,583,499	\$	4,583,499	\$	_
Intergovernmental	*	.,000,.00	•	.,000,.00	*	.,000, .00	*	
Federal justice assistance				7,335		_	((7,335)
Basic allocation		1,610,314		1,610,314		1,609,824	`	(490)
CLTS		40,007		40,007		1,221,710	1.18	1,703
Birth to Three		208,495		208,495		208,495	, .	, <u>-</u>
Family support		98,901		98,901		70,377	(2	(8,524)
Alcohol and other drug abuse		182,892		182,892		182,892	`	, , ,
Integrated service		78,806		78,806		78,806		_
Mental health		87,635		87,635		88,577		942
Non resident		· <u>-</u>		, <u></u>		870		870
Public charges for services								
Mental health		1,850,410		1,850,410		1,676,995	(17	3,415)
Developmental disabilities		55,230		55,230		53,153		(2,077)
Alcohol and other drug abuse		303,300		303,300		278,522		4,778)
Administration		120,490		120,490		90,988		9,502)
Intergovernmental charges for services		•		•		,	,	, ,
Acute unit - net		2,199,000		2,199,000		2,452,015	25	3,015
Interdepartmental charges for services		329,700		329,700		282,905		6,795)
Miscellaneous		(2,390)		(2,390)		507	•	2,897
Prior year revenue						279,084		9,084
Total Revenues		11,671,289	··········	11,753,624		13,159,219	1,40	5,595
Expenditures Current Health and human services								
Mental health		8,532,731		8,653,131		8,225,887	42	7,244
Developmental disabilities		1,250,021		1,249,776		2,254,586		4,810)
Alcohol and other drug abuse		1,165,131		1,179,186		864,606		4,580
Administration	-	723,406		710,106		641,552		8,554
Total Expenditures		11,671,289		11,792,199		11,986,631	(19	4,432)
Excess (Deficit) of Revenues Over Expenditures		_		(38,575)		1,172,588	1 21	1,163
Over Experience				(00,070)		1,172,000	1,2-1	1,100
Other Financing Uses Transfers out		***		_		(1,001,364)	(1,00	1,364)
Net Change in Fund Balance	_	-		(38,575)		171,224	20	9,799
Fund Balance - Beginning of Year		38,575	······································	38,575		38,575		-
Fund Balance - End of Year	_\$_	38,575	\$	-	\$_	209,799	\$ 20	9,799

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Department of Social Services
Year Ended December 31, 2013

						Fina	ance with I Budget -
	54545454	Budgeted	l Am	**** *** *** ***** * * *** ***	Actual		ositive
B		Original		Final	Amounts	(Ne	egative)
Revenues							
Taxes	_		_			_	
Property taxes	\$	7,432,439	\$	7,583,940	\$ 7,583,940	\$	-
Intergovernmental							
Child care		223,021		223,021	222,361		(660)
Community options/waivers		558,868		558,868	477,091		(81,777)
Income maintenance		8,767,512		8,770,332	7,856,785		(913,547)
Kinship		157,520		157,520	143,907		(13,613)
Low income home energy assistance		222,668		222,668	143,529		(79,139)
Social welfare - basic county allocation		3,523,524		3,523,524	3,532,050		8,526
Youth aids		843,374		843,374	968,821		125,447
Public charges for services							
Child care		-		-	836		836
Community options/waivers		8,000		8,000	8,189		189
Income maintenance		100		100	1,670		1,570
Social welfare - basic county allocation		387,900		387,900	439,401		51,501
Youth aids		131,000		131,000	123,533		(7,467)
Intergovernmental charges for Service		707,000		,	0,000		(.,)
Youth aids		_		_	60,250		60,250
Interdepartmental charges for services					00,200		00,200
Social welfare - basic county allocation		188,886		188,886	168,034		(20,852)
Youth aids		29,349		29,349	90,642		61,293
Prior year revenue		23,543		20,040	8,667		8,667
Miscellaneous		38,375		38,375	54,545		16,170
Total Revenues		22,512,536		22,666,857	 21,884,251		(782,606)
Total Nevenues		22,312,336		22,000,007	 21,004,231		(702,000)
Expenditures							
Current							
Health and human services							
Adult abuse		36,375		36,375	50,886		(14,511)
Child care		225,373		225,595	226,309		(714)
Community options/waivers		566,868		566,868	496,339		70,529
Income maintenance		9,631,867		9,642,752	8,660,584		982,168
Kinship		157,520		157,520	144,056		13,464
Low income home energy assistance		222,668		222,668	143,529		79,139
Social welfare - basic county allocation		9,722,575		10,054,134	9,173,003		881,131
Youth aids		1,999,290		2,000,942	1,675,381		325,561
Total Expenditures		22,562,536		22,906,854	 20,570,087		2,336,767
·				······································	 		······································
Excess (Deficit) of Revenues							
Over Expenditures		(50,000)		(239,997)	1,314,164		1,554,161
'		X 1 1			 ., ,		
Other Financing Uses							
Transfers out		_		_	(1,231,166)	(1,231,166)
	***************************************	··········			 (,,==,,,==)		.,,,,,,,,,
Net Change in Fund Balance		(50,000)		(239,997)	82,998		322,995
Fund Balance - Beginning of Year		239,997		239,997	 239,997		
Fund Balance - End of Year	_\$	189,997	\$		\$ 322,995	\$	322,995

The notes to the basic financial statements are an integral part of this statement.

FOND DU LAC COUNTY, WISCONSIN Statement of Net Position Proprietary Funds December 31, 2013

			Business-typ	Business-type Activities-Enterprise Funds	ise Funds		Governmental
			Harbor		Other	ļ	Activities-
		× 80, 10, 11,	Health &	Airport	Nonmajor Enterprise Flands	Lotal Enterprise Funds	Service Funds
ASSETS							a de
Current Assets							
Cash and investments	બ	1,469,705				\$ 1,518,436	\$ 114,203
l axes receivable			232,593	37,565	85,805	355,953	232,540
Accounts receivable		170	990,451	•	8,160	998,781	1,605
Due from other governments		1,284,501	1	1	•	1,284,501	1
Inventories and prepaid items		1,153,410	115,920	•	7,087	1,276,417	15,894
Total Current Assets		3,907,786	1,341,402	72,202	112,708	5,434,098	364,242
Capital Assets							
Work in progress		504,134	•		•	504,134	1
Land/land improvements		772,490	678,788	11,382,662	3,262,168	16,096,108	1
Buildings/building improvements		2,985,460	8,690,182	1,825,283	278,205	13,779,130	1
Machinery and equipment		12,366,634	1,725,076	364,259	1,134,015	15,589,984	254,470
Less accumulated depreciation		(10,083,150)	(7,259,555)	(8,050,700)	(2,561,582)	(27,954,987)	(246,368)
Total Capital Assets - Net		6,545,568	3,834,491	5,521,504	2,112,806	18,014,369	8,102
TOTAL ASSETS		10,453,354	5,175,893	5,593,706	2,225,514	23,448,467	372,344
LIABILITIES Current I iabilities							
Accounts payable		404.020	201,653	808	14,771	621,253	14,350
Accrued payroll liabilities		383,751	477,349	2.086	24,094	887,280	46,221
Due to other funds		1	116,668	,	1,520,352	1,637,020	
Due to other governments		296	197	1	5,315	6,479	ľ
Unearned revenues		61,574	117,432	21,683	2,750	203,439	ŀ
Current maturities of long-term obligations		158,545	101,131		29,658	289,334	4,834
Total Current Liabilities		1,008,857	1,014,430	24,578	1,596,940	3,644,805	65,405
Long-term Obligations Noncurrent portion of long-term obligations		126,201	48,880	1	79,920	255,001	14,842
TOTAL LIABILITIES		1,135,058	1,063,310	24,578	1,676,860	3,899,806	80,247
DEFERRED INFLOWS OF RESOURCES Property taxes		1	232,593	37,565	85,805	355,963	232,540
NET POSITION Net investment in capital assets Unrestricted (deficit)		6,533,876 2,784,420	3,822,990 57,000	5,521,504	2,012,357 (1,549,508)	17,890,727 1,301,971	8,102 51,455
TOTAL NET POSITION	8	9,318,296	\$ 3,879,990	\$ 5,531,563	\$ 462,849	\$ 19,192,698	\$ 59,557
	1			2001			

The notes to the basic financial statements are an integral part of this statement.

FOND DU LAC COUNTY, WISONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2013

		Highway	Harbor Haven Health & Rehabilitation	Airport	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Activities- Internal Service Funds
Operating Revenues Public charges for services	⊌ •	-	\$ 7,302,359 \$	136,942 \$		8,352,958	\$ 15,370
Intergovernmental charges for services		5,678,628	•	200	ı	5,679,128	ı
Interdepartmental charges for services		12,322,011	762,125	1 0	8,803	13,092,939	1,100,108
Miscellaneous		4,140		2,484	754	12,957	2,072
Total Operating Revenues		18,004,779	8,070,063	139,926	923,214	27,137,982	1,117,550
Operating Expenses							470
General government		1 (i	i (7 70	0 0 0	1, 1 / 5,435
Public works		16,713,816	9 470 195	102,205	94,683	16,910,704 9.470.195	
Culture, recreation and education		1		1	963,146	963,146	1
Depreciation	***************************************	1	292,277	500,522	159,711	1,753,117	4,877
otal Operating Expenses		17,514,423	9,702,472	602,121	1,211,340	791,160,67	1,100,012
Operating Income (Loss)		490,356	(1,692,409)	(462,801)	(294,326)	(1,959,180)	(62,762)
Nonoperating Revenues (Expenses)					1		
Property taxes		ı	1,171,815	21,505	84,780	1,278,100	226,340
Intergovernmental		5,284	1,008,016	ı	1 (1,013,300	1
Investment income		1 ;	1 (202	208	1
Miscellaneous revenue		4,864	334		64,354	69,552	1
Payment in lieu of taxes		, ,	, ,		(51,500)	(51,500)	ı
Interest expense		(2,191)		1 1 1 1	(2,949)	ì	, 000
Total nonoperating revenue (expense)		7,957	2,178,952	21,505	94,893	2,303,307	226,340
Income (loss) before contributions, transfers and special item		498,313	486,543	(441,296)	(199,433)	344,127	163,578
Capital contributions - state/federal		280,767	t	48,770	ı	329,537	ı
Transfers in		2,191	234,010	ı	1	236,201	ī
Transfers out		(272,457)	t	1	1	(272,457)	(157,141)
special item - otner post employment benefit adjustment		191,215	364,371	893	7,687	564,166	21,236
Change in Net Position		700,029	1,084,924	(391,633)	(191,746)	1,201,574	27,673
Net Position - Beginning of Year		8,618,267	2,795,066	5,923,196	654,595	17,991,124	31,884
Net Position - End of Year	မှ	9,318,296	\$ 3,879,990 \$	5,531,563 \$	3 462,849 \$	19,192,698	\$ 59,557

The notes to the basic financial statements are an integral part of this statement.

FOND DU LAC COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2013

			Business-tyne	Bisinass tyne Activities Entarorise Frinds	e Finds		Covernmental
		Highway	Harbor Haven Health & Rehabilitation	Airport	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Activities- Internal Service Funds
Cash Flows from Operating Activities: Cash received from user charges Cash received from other funds Cash payments to suppliers Cash payments to employees Net Cash Provided (Head) by Operating	↔	5,277,858 1 12,256,880 (11,970,260) (4,674,359)	\$ 7,113,678 \$ 762,125 (5,114,435) (4,451,639)	139,926 \$ - (68,859) (33,684)	923,582 \$ - (419,400) (578,675)	13,455,044 13,019,005 (17,572,954) (9,738,357)	\$ 1,121,372 - (633,879) (528,200)
Activities		890,119	(1,690,271)	37,383	(74,493)	(837,262)	(40,707)
Cash Flows from Noncapital Financing Activities: Property taxes Advance from (to) other funds Intergovernmental Transfers in Transfers out		5,284 2,191 (272,457)	1,171,815 116,668 1,008,016 234,010	21,505 (24,251)	84,780 88,161 -	1,278,100 180,578 1,013,300 236,201 (272,457)	226,340
Net Cash Provided (Used) by Noncapital Financing Activities		(264,982)	2,530,509	(2,746)	172,941	2,435,722	69,199
Cash Flows from Capital and Related Financing Activities: Acquisition of capital assets Sale of materials		(850,494) 4,864	(825,720)	1 1	(22,406)	(1,698,620) 5,198	1
Principal payments on long-term debt Payment in lieu of taxes Interest payments on long-term debt		(11,691)	(11,501)	1 1 1	(32,507) (51,500) (2,949)	(55,699) (51,500) (6,353)	1 1 1
Net Cash Used by Capital and Related Financing Activities		(859,512)	(838,100)	S. Control of the Con	(109,362)	(1,806,974)	l e e e e e e e e e e e e e e e e e e e
Cash Flows from Investing Activities: Investment income		1	1	1	208	208	1
Net Increase (Decrease) in Cash and Cash Equivalents		(234,375)	2,138	34,637	(10,706)	(208,306)	28,492
Cash and Cash Equivalents - Beginning of Year		1,704,080	300	ı	22,362	1,726,742	85,711
Cash and Cash Equivalents - End of Year	မာ	1,469,705 \$	3 2,438 \$	34,637 \$	11,656 \$	1,518,436	114,203

(Continued)

FOND DU LAC COUNTY, WISCONSIN Statement of Cash Flows (continued) Proprietary Funds Year Ended December 31, 2013

				Business-type Activities-Enterprise Funds	vities-Enterpr	se Funds	Cov	Governmental
			TI	Harbor Haven		Other Nonmajor	Total	Activities- Internal
		Highway	He Reha	š lion	Airport	Enterprise Funds	e	Service Funds
Reconciliation of Operating Income (Loss) to Net								
Cash Provided (Used) 9 Operating Activities Operating Income (Inco)	¥	700 256	e	41 692 409) \$	(462 801)	\$ (908 760)	(1 959 180) \$	(62.762)
Adjustments to reconcile operating)	20,00				(5-5, 1, 5-6)		(-) (-)
income (loss) to net cash provided								
(used) by operating activities:								
Depreciation		800,607		292,277	500,522	159,711	1,753,117	4,877
Loss on disposal of capital assets		333		488	1	1	821	ı
Changes in assets and liabilities								
Accounts receivable		26,316		(223,006)	ı	368	(196,322)	3,822
Due from other governments		(173,849)		ı	1	1	(173,849)	•
Inventories and prepaid items		76,868		9,863	í	(1,958)	84,773	(467)
Accounts payable		(68,457)		(96,613)	(740)	(8,834)	(174,644)	12,285
Accrued liabilities		57,587		(17,311)	414	2,166	42,856	(1,418)
Due to other governments		(253,237)		197	1	(45)	(253,085)	1
Unearned revenues		(69,271)		28,746	(12)	200	(40,337)	1
Other liabilities		2,866		7,497	1	68,225	78,588	2,956
Net Cash Provided (Used) by								
Operating Activities	ь	890,119	8	(1,690,271) \$	37,383 \$	(74,493) \$	(837,262) \$	(40,707)
Noncash investing, capital and financing activities: Capital assets contributed from governments	↔	280.767	€	<i>↔</i>	48.770 \$	<i>↔</i>	329,537 \$	1

The notes to the basic financial statements are an integral part of this statement.

FOND DU LAC COUNTY

Statement of Net Position Agency Funds December 31, 2013

400570	Agency Funds
ASSETS	
Cash and investments	\$ 20,544,678
Receivables	
Delinquent special assessments	241,183
Accounts	482
Due from other governments	1,148,693
TOTAL ASSETS	\$ 21,935,036
LIABILITIES	
Accounts payable	\$ 314,416
Due to other governments	20,893,984
Other liabilites	726,636
TOTAL LIABILITIES	\$ 21,935,036

Notes to Basic Financial Statements
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Fond du Lac County ("the County"), Fond du Lac, Wisconsin, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

Reporting Entity

The County is a municipal corporation governed by an elected 25 member board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units. The basic criterion for including a legally separate organization as a component unit is the degree of financial accountability the County has with the organization. The following circumstances set forth the County's financial accountability for a legally separate organization:

- a. The County is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.
- b. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based on the previous criterion, the following component unit is included within the reporting entity.

Housing Authority of Fond du Lac County

The basic financial statements include the Housing Authority of Fond du Lac County (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the County Executive. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the Housing Authority, and also create a potential financial benefit to, or burden on, the County. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the basic financial statements. It is reported in a separate column to emphasize that it is legally separate from the County. The Housing Authority is a separate entity established to administer the housing program for low and moderate income families. It is funded by federal and state grants and rental income. The information presented is for the fiscal year ended June 30, 2013. Separately issued financial statements of the Housing Authority may be obtained from the Housing Authority's office at 15 North Marr Street, Fond du Lac, WI.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are supported primarily by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Notes to Basic Financial Statements
December 31, 2013

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, permanent, debt service and capital projects funds. Proprietary funds include enterprise funds and internal service funds. The County has two internal service funds: Central Maintenance and Health Self Insurance. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

GENERAL FUND

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

COUNTY ROAD & BRIDGE FUND

This fund accounts for financial resources used for the maintenance and construction of County road and bridge system. Significant sources of revenues are property taxes, bond proceeds and intergovernmental revenues.

DEPT OF COMMUNITY PROGRAMS FUND

This fund accounts for financial resources used to provide State mandated services to clients with mental health, alcohol and other drug abuse, developmental disability and closely-related conditions. Significant sources of revenue include property taxes, charges for services, and intergovernmental revenues.

DEPT OF SOCIAL SERVICES FUND

This fund accounts for financial resources used to provide services to clients in the areas of income maintenance, counseling and other human services. Significant sources of revenues include property taxes, charges for services and intergovernmental revenues.

DEBT SERVICE FUND

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The County reports the following major enterprise funds:

HIGHWAY

This fund accounts for the activities associated with the maintenance and construction of roadways and bridges located within the County on a cost reimbursement basis.

Notes to Basic Financial Statements
December 31, 2013

HARBOR HAVEN HEALTH & REHABILITATION

This fund accounts for the activities associated with the skilled nursing facility serving disabled and/or elderly clients, including a Medicare certified therapy program.

AIRPORT

This fund accounts for the activities associated with the County's airport facilities.

Additionally, the government reports the following fund types:

Internal service funds account for central maintenance services and health self insurance services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

The *permanent fund* is used to account for resources legally held in trust for the Sheriff Canine Program. Only earnings on the invested resources may be used to support the Sheriff Canine Program.

The County accounts for assets held as an agent for Patient Trust Activity, District Attorney Restitution Activities, Huber Law/Canteen Activities, Clerk of Courts Fund, and Tax Collection Activities in an agency fund.

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Agency funds have no measurement focus and use the accrual basis of accounting.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal services between governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Notes to Basic Financial Statements
December 31, 2013

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

4. Assets, Liabilities, Deferred Inflow/Outflows of Resources and Net Position or Equity

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable/Loans Receivable

Accounts receivable have been shown net of allowance for uncollectible accounts of \$2,443,575.

Loans receivable have been shown net of allowance for anticipated forgiveness of \$17,096,000.

c. Property Taxes Levied for the 2014 Budget

Property taxes are recorded in the year levied as taxes receivable and as deferred inflow of resources. They are recognized as revenue in full in the succeeding year when services finance by the levy are being provided except for the General Fund. The General Fund makes all other funds whole for their tax levies and accounts for any deferred, uncollected, or delinquent amounts.

d. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as advances and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

e. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance accounts to indicate that they do not represent spendable available financial resources.

Notes to Basic Financial Statements
December 31, 2013

f. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance accounts to indicate that they do not represent spendable available financial resources.

g. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$500 or higher for general capital assets or \$3,000 for road and bridge infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
	Υe	ears
<u>Assets</u>		
Land improvements	25-100	25-100
Building/building improvements	25-50	25-50
Machinery and equipment	3-10	3-10
Infrastructure	10-50	-

h. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The County also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. The governmental funds report unavailable revenues from two sources, loans and accounts receivable. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.

Notes to Basic Financial Statements
December 31, 2013

j. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

k. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivable) or are legally or contractually required to remain intact.
- Restricted fund balance Amounts that are constrained for specific purposes by external parties (such as grantors or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed or changed by the County Board using the same action that was used to create them.
- Assigned fund balance Amounts that are constrained for specific purposes by action of County management. The County Board has not authorized a County position to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned, unless committed by County Board action.
- Unassigned fund balance Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT- WIDE AND PROPRIETARY FUND STATEMENTS

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less
outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to
the acquisition, construction, or improvement of those assets.

Notes to Basic Financial Statements
December 31, 2013

- Restricted net position Amount of net position that is subject to restrictions that are imposed by
 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position Net position that is neither classified as restricted nor as net investment in capital assets.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, special revenue funds, debt service fund, capital project fund, internal service funds and enterprise funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general fund, special revenue funds, debt service fund, internal service funds and enterprise funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and the committee of jurisdiction and are subsequently authorized by the County Board. Minor budgetary transfers within an activity or department, defined as \$1,500 or ten percent of the activity or department's aggregate approved budget, whichever is less, may be authorized by action of the Finance, Personnel, and Economic Development Committee of the County Board, without going to the full County Board for approval.
- e. Encumbrance accounting is used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2013.

Notes to Basic Financial Statements
December 31, 2013

2. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the general, major special revenue and debt service funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2013 as follows:

Fund	Function	Excess Expenditures
General Fund	Probate Office	\$ 2,108
General Fund	Victim/Witness Program	295
General Fund	Animal Licenses – other	4,088
General Fund	Public Health Consortium	2,178
County Road & Bridge	County highway winter maintenance	208,692
Dept of Community Prog	Developmental disabilities	1,004,810
Dept of Social Services	Adult abuse	14,511
Dept of Social Services	Child care	714

The above excess expenditures were funded using favorable revenue variances and available fund balance in the general, special revenue and debt service funds.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

PRIMARY GOVERNMENT

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$50,063,427 on December 31, 2013 as summarized below:

Cash on hand Deposits with financial institutions Investment	\$ 9,181 43,441,172
Wisconsin local government investment pool	6,613,074
	\$ 50,063,427
Reconciliation to the basic financial statements:	
Government Wide Statement of Net Position	
Cash and investments Fiduciary Fund Statement of Net Position	\$ 29,518,749
Agency funds	20,544,678_
	\$ 50.063.427

Notes to Basic Financial Statements
December 31, 2013

Deposits and investments of the County are subject to various risks. Presented below is a discussion of specific risks and the County's policy related to the risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Funds which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2013, \$37,281,893 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire balance was collateralized with securities held by a pledging third party financial institution. The County's policy is to have their operating bank collateralize their average balance on deposit.

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$6,613,074 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County does not have an additional credit risk policy. The County's investment in the Wisconsin local government investment pool is not rated. Investments in the Wisconsin Local Government Investment Pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, State of Wisconsin Guarantee Fund insurance, and income on the investment during the calendar quarter a loss occurs.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have an interest rate risk policy. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

Notes to Basic Financial Statements
December 31, 2013

DISCRETELY PRESENTED COMPONENT UNIT

At year end, the carrying amount of the Housing Authority, a discretely presented component unit, was \$264,672 and the bank balance was \$273,765.

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred inflow of resources at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent.

The delinquent taxes are then acquired by the County's general fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes recorded on December 31, 2013 for collection in 2014 are for the following:

State apportionment	\$ 1,148,693
County apportionment	40,255,727
	\$41,404,420

The above County apportionment of \$40,255,727 is for financing 2014 operations and will be transferred in 2014 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

3. Delinquent Property Taxes - General Fund

Delinquent property taxes of the general fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

On December 31, 2013, the County's general fund showed an investment of \$2,149,568 in delinquent taxes as follows:

Tax certificates	\$2,143,204
Tax deeds	6,364
Total	\$2,149,568

Notes to Basic Financial Statements
December 31, 2013

An aging of the total delinquent taxes of \$2,149,568 on December 31, 2013 follows:

Year Acquired	Total	County Share	County Purchased
Prior to 2008	\$ 38	\$ 9	\$ 29
2008	9	2	7
2009	498	124	374
2010	6,157	1,545	4,612
2011	140,384	35,335	105,049
2012	650,069	164,858	485,211
2013	1,346,049	339,339	1,006,710
Tax Deeds	6,364	-	6,364
Delinquent property taxes at December 31, 2013	\$2,149,568	541,212	1,608,356
Less 60 day collections after December 31, 2013		89,187	264,281
Deferred Inflow of Property Taxes		\$ 452,025	
Nonspendable Fund Balance (purchased equities of			
state and local governments)			\$1,344,075

4. Accounts Receivable

Accounts receivable as of year end for the County's individual major governmental funds and aggregate nonmajor governmental, including the applicable allowances for uncollectible accounts, are as follows:

	G	eneral	Co	Dept of ommunity rograms		Dept of Social ervices	Nonn and C Fur	Other		Total
Accounts Receivable:				<u> </u>	1		4:		······································	
Accounts	\$	766,838	\$	2,636,941	\$	187,238	\$	302	\$	3,591,319
Accrued interest		62,294		-		-		231		62,525
Due from other governments		2,031,975		302,450		1,484,552		-		3,818,977
Gross accounts receivable		2,861,107		2,939,391		1,671,790		533		7,472,821
Less: allowance for uncollectibles				2,443,575		-		-		2,443,575
Net total accounts receivable	\$	2,861,107	\$	495,816	\$	1,671,790	\$	533	\$	5,029,246

There is no allowance for uncollectibles in any proprietary fund type receivable.

5. Loans Receivable

Loans receivable as of year end for the County's general fund is as follows:

	General
Loans Receivable:	
Mercury Marine loan	\$ 42,699,445
CDBG loans	198,027
County revolving loan	1,648,457
Gross loans receivable	 44,545,929
Less: allowance for forgiveness	17,096,000
Net total loans receivable	\$ 27,449,929

The Fond du Lac County Economic Development Corporation is acting as the County's fiscal agent for all loans receivable noted.

In 2009, the County approved borrowing up to \$50,000,000 to provide economic support to Mercury Marine. The County Board determined it to be in the best interest of the County to provide financial assistance to Mercury Marine to limit job loss and to minimize reductions in property values and increased unemployment. The borrowings and financial assistance were completed in 2009 and 2010.

Notes to Basic Financial Statements
December 31, 2013

The Mercury Marine loan accrues interest at a rate of two percent. Interest and principal payments commence in 2012, with the outstanding balance of principal and all accrued but unpaid interest due in full in 2021. Each year commencing in 2012, a portion of the principal balance will be forgiven based on the number of employees retained and added. The formula for calculating the amount forgiven annually is pursuant to a financing agreement among Fond du Lac County, the Economic Development Corporation, the City of Fond du Lac and Mercury Marine.

The CDBG loans are to a number of companies as part of a Community Development Block Grant revolving loan fund, funded by the Wisconsin Department of Commerce. The County Revolving loan is a loan fund, funded by Fond du Lac County. The loans are at low interest rates and for various terms.

6. Capital Assets

Capital asset activity of the County for the year ended December 31, 2013 was as follows:

PRIMARY GOVERNMENT

FRIMART GOVERNMENT				
	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,127,277	\$ 1,092,034	\$ -	\$ 7,219,311
Work in progress	2,795,013	2,329,632	-	5,124,645
Subtotals	8,922,290	3,421,666	-	12,343,956
Capital assets, being depreciated:				
Land improvements	7,327,484	100,012	_	7,427,496
Buildings/building improvements	55,583,331	1,010,789	83,891	56,510,229
Machinery and equipment	18,325,055	1,599,925	720,718	19,204,262
Infrastructure	92,317,547	5,556,238	1,955,858	95,917,927
Subtotals	173,553,417	8,266,964	2,760,467	179,059,914
Less accumulated depreciation for:				
Land improvements	3,961,734	278.320	_	4,240,054
Buildings/building improvements	24,483,802	2,334,844	78,768	26,739,878
Machinery and equipment	15,563,971	1,355,628	717,414	16,202,185
Infrastructure	32,691,836	2,896,868	1,343,982	34,244,722
Subtotals	76,701,343	6,865,660	2,140,164	81,426,839
Total capital assets, being depreciated, net	96,852,074	1,401,304	620,303	97,633,075
Total capital assets, being depreciated, flet	90,032,074	1,401,304	020,303	97,033,073
Governmental activities capital assets, net	\$105,774,364	\$ 4,822,970	\$ 620,303	109,977,031
Less related long-term debt outstanding			-	21,550,000
Net investment in capital assets			z	\$ 88,427,031

Notes to Basic Financial Statements December 31, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities: Capital assets, not being depreciated:		<u>8145315.Tb515-T; ^ </u>	The second secon	
Land	\$ 1,464,300	\$ 40,000	\$ -	\$ 1,504,300
Work in progress	13,461	498,273	7,600	504,134
Subtotals	1,477,761	538,273	7,600	2,008,434
Capital assets, being depreciated:				
Land improvements	14,490,702	101,106	-	14,591,808
Buildings/building improvements	13,026,530	763,027	10,427	13,779,130
Machinery and equipment Subtotals	15,213,872 42,731,104	780,634	404,522 414,949	15,589,984
Subtotals	42,731,104	1,644,767	414,949	43,960,922
Less accumulated depreciation for:				
Land improvements	8,855,120	529,236	-	9,384,356
Buildings/building improvements	8,035,921	298,083	402.705	8,334,004
Machinery and equipment Subtotals	9,714,534 26,605,575	925,798 1,753,117	403,705 403,705	10,236,627 27,954,987
Gubiolaid	20,000,070	1,700,117	403,703	21,934,961
Total capital assets, being depreciated, net	16,125,529	(108,350)	11,244	16,005,935
Business-type activities capital assets, net	\$ 17,603,290	\$ 429,923	\$ 18,844	18,014,369
Less related long-term debt outstanding				123,642
-				
Net investment in capital assets				\$ 17,890,727
Depreciation expense was charged to fun	ctions of the Cou	nty as follows:		
PRIMARY GOVERNMENT				
Governmental activities				
General government				\$ 733,343
Public safety				1,818,270
Public works				2,896,869
Health and human services				397,628
Culture, recreation and education				875,015
Conservation and development			_	144,535
Total depreciation expense - governr	nental activities		=	\$6,865,660
Business-type activities				
Highway				\$ 800,607
Harbor Haven Health & Rehabilitation				292,277
Airport				500,522
Rolling Meadows Golf Course				141,713
Landfill				17,998
Total depreciation expense - business	-type activities		_	\$1,753,117
			=	

Notes to Basic Financial Statements December 31, 2013

Capital asset activity of the Housing Authority for the year ended June 30, 2013 was as follows:

DISCRETELY PRESENTED COMPONENT UNIT

		ginning alance	Inc	creases	Dec	reases		nding alance
Fond du Lac County Housing Authority: Capital assets, not being depreciated: Land Work in progress	\$	17,387 2,936	\$	-	\$	- 2,936	\$	17,387
Subtotals		20,323		-		2,936		17,387
Capital assets, being depreciated:								
Buildings/building improvements	· 2,	732,553		55,147		5,899	2	,781,801
Machinery, equipment, furnishings		96,108		5,928		7,129		94,907
Subtotals	2,	828,661		61,075		13,028	2	,876,708
Less accumulated depreciation	1,	734,291		124,377		11,592	1	,847,076
Total capital assets being depreciated, net	1,	094,370		(63,302)		1,436	1	,029,632
Total capital assets, net	\$1,	114,693	\$	(63,302)	\$	4,372	\$ 1	,047,019

Depreciation expense was charged to functions of the Housing Authority as follows:

DISCRETELY PRESENTED COMPONENT UNIT

Low Rent Public Housing\$ 120,323Capital Fund Program1,893Voucher Program2,161Total depreciation expense- Housing Authority\$ 124,377

7. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of December 31, 2013 is as follows:

Due to/from other funds:			Amount Not Due Within
Receivable Fund	Payable Fund	Amount	One Year
Temporary Cash Advance	s to Finance Operating Cash Deficits:		
. cpc.a., cuon navanos	s to i marice operating dash beholds.		
General		\$1,479,449	\$1,450,000
	Rolling Meadows Golf Course Harbor Haven Health & Rehab	\$1,479,449 116,668	\$1,450,000 -
General	Rolling Meadows Golf Course		\$1,450,000 -

Notes to Basic Financial Statements
December 31, 2013

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer to Fund	Transfer from Fund
Transfers between Funds		
General Fund	\$ 2,389,671	\$ 251,675
Special Revenue Funds		•
County Road & Bridge	272,457	-
Dept. of Community Programs	, _	1,001,364
Dept. of Social Services	-	1,231,166
Nutrition Senior Services	18,878	-
Debt Service Funds	,	
G.O. Taxable Refunding Bonds (2011)	=	3,403
G.O. Refunding Bonds (2012)	-	1
Internal Service Funds		
Health Self Insurance Fund		137,141
Central Maintenance	_	20,000
Enterprise Funds		,
Highway	2,191	272,457
Harbor Haven Nursing/Rehab	234,010	-
Totals	\$ 2,917,207	\$ 2,917,207

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

8. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
GOVERNMENTAL ACTIVITIES:	<u> </u>			<u> </u>	E
General Obligation Debt					
Bonds	\$ 42,310,00) \$ -	\$ 2,735,000	\$ 39,575,000	\$ 3,980,000
Notes	31,655,00	11,000,000	6,260,000	36,395,000	5,940,000
Total General Obligation Debt	73,965,00	11,000,000	8,995,000	75,970,000	9,920,000
Debt premium	965,45	3 276,144	190,409	1,051,193	199,247
Compensated absences	1,293,93	7 101,541	111,133	1,284,345	606,111
Unfunded other post employment benefits	1,665,13	2 -	1,665,132	-	-
Governmental activities					
Long-term liabilities	\$ 77,889,52	7 \$ 11,377,685	\$ 10,961,674	\$ 78,305,538	\$10,725,358
BUSINESS-TYPE ACTIVITIES:					
Alliant Energy Advance	\$ 46,38	4 \$ -	\$ 23,191	\$ 23,193	\$ 23,193
Capital Lease	34,29	98,662	32,507	100,449	29,423
Compensated absences	408,26	35,548	23,116	428,693	236,718
Unfunded other post employment benefits	564,166	-	564,166		-
Business-type activities					
Long-term liabilities	\$ 1,053,10	5 \$ 134,210	\$ 642,980	\$ 544,335	\$ 289,334

Total interest paid during the year on long-term debt totaled \$2,064,742

Notes to Basic Financial Statements
December 31, 2013

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$19,676 of internal service funds compensated absence benefits are included in the above amounts.

The Housing Authority, a discretely presented component unit, has no long term debt at June 30, 2013.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows: Bonds

\$9,800,000 issued 3/1/05; \$530,000 due in 2014; interest 3.50% \$ \$33,270,000 issued 12/22/11; \$3,425,000 to \$5,375,000 due annually through	530,000
2022; interest 2.00% to 3.50%	0,920,000
\$8,125,000 issued 7/10/12; \$25,000 to \$1,325,000 due annually through 2022; interest 1.50% to 2.375%	8,125,000
	9,575,000
Notes	
\$4,500,000 issued 4/2/07; \$750,000 due in 2014; interest 4.00%	750,000
\$9,080,000 issued 4/15/08; \$1,205,000 due in 2014; interest 3.50%	1,205,000
\$6,885,000 issued 4/6/09; \$985,000 to \$1,915,000 due annually through 2016;	
	4,540,000
\$20,000,000 issued 9/1/10; \$2,500,000 due annually through 2020; interest	
	7,500,000
\$1,400,000 issued 11/15/10; \$400,000 to \$1,000,000 due annually through	
	1,400,000
\$5,000,000 issued 3/1/13; \$100,000 to \$1,260,000 due annually through 2018;	
	5,000,000
\$6,000,000 issued 12/16/13; \$0 to \$1,000,000 due annually through 2022;	
	3,000,000
	5,395,000
Total Outstanding General Obligation Debt \$ 75	5,970,000

Annual principal and interest maturities of the outstanding general obligation debt of \$75,970,000 on December 31, 2013 are detailed below:

Year Ended	Governmental Activities				
December 31	Principal	Interest			
2014	\$ 9,920,000	\$ 2,023,096			
2015	9,875,000	1,782,381			
2016	9,105,000	1,537,719			
2017	8,385,000	1,310,819			
2018	8,460,000	1,095,444			
2019-2022	30,225,000	1,994,234			
_	\$75,970,000	\$ 9,743,693			

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Notes to Basic Financial Statements
December 31, 2013

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2013 was \$266,446,786 as follows:

Equalized valuation of the County	\$6,773,848,400
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03	
of the Wisconsin Statutes	338,692,420
Total outstanding general obligation debt applicable to debt	
Limitation \$75,970,000	
Less: Amounts available for financing general obligation debt	
Debt service fund 3,724,366	
Net outstanding general obligation debt applicable to debt	-
Limitation	72,245,634
Legal Margin for New Debt	\$ 266,446,786

Capital Leases

The County is obligated for capital leases that were used to finance the acquisition of capital assets. Presented below is a schedule of future minimum lease payments at December 31, 2013:

Year Ending Amount		nount
2014	\$	33,961
2015		33,961
2016		21,547
2017		21,547
		111,016
Less: Amount representing interest		10,567
Present value of future minimum lease payn	nents \$	100,449

Advance Refunding

In prior years, the County advance refunded \$7,700,000 of a general obligation bond issue from 2005. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. At December 31, 2013, \$7,700,000 of outstanding general obligation bonds are considered defeased.

Notes to Basic Financial Statements
December 31, 2013

9. Fund Equity/Net Position

Government-wide Statements

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2013 includes the following:

Net investment in capital assets	
Work in progress	\$ 5,124,645
Land/land improvements	10,406,753
Buildings/building improvements	29,770,351
Machinery and equipment	3,002,077
Infrastructure	61,673,205
Less: related long-term debt outstanding	(21,550,000)
Total Net Investment in Capital Assets	88,427,031
Restricted	
General fund	6,030,425
Debt service fund	3,724,366
Sheriff canine fund	50,000
Unrestricted	(8,617,827)
Total Governmental Activities Net Position	\$ 89,613,995

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2013 includes the following:

Net investment in capital assets	
Work in progress	\$ 504,134
Land/land improvements	6,711,752
Buildings/building improvements	5,445,126
Machinery and equipment	5,353,357
Less: related long-term debt outstanding	(123,642)
Total Net Investment in Capital Assets	17,890,727
Unrestricted	1,301,971
Total Business-Type Activities Net Position	\$ 19,192,698

Notes to Basic Financial Statements
December 31, 2013

10. Fund Statements

Governmental fund balances reported on the fund financial statements at December 31, 2013 include the following:

General Fund	
Non-spendable:	
Inventories and prepaid items	\$ 493,065
Delinquent property taxes	1,344,075
Long term advance – golf course	1,450,000
Restricted:	70.040
Land Records	79,646
WIC	39,772
Register of Deeds	237,020
Jail Assessment	50,987
Bond Proceeds-Alliance Laundry Systems	5,623,000
Assigned:	4 200 200
Carryover revenue – various	4,369,228
General fund applied in subsequent year's budget	1,800,000
Unassigned Total Congress France	7,026,862
Total General Fund	22,513,655_
County Road & Bridge	
Assigned:	2 224 522
Carryover revenue	3,224,588
Dept of Community Programs	
Non-spendable:	400.700
Inventories and prepaid items	122,702
Assigned Total Point of Community Programs	87,097
Total Dept of Community Programs	209,799
Dept of Social Services	
Non-spendable:	470.000
Inventories and prepaid items	178,938
Assigned Total Pont of Social Services	144,057
Total Dept of Social Services Debt Service	322,995
Restricted-debt retirement	2 724 266
	3,724,366
Other Nonmajor Governmental Funds Non-spendable:	
Inventories and prepaid items	2.702
Restricted:	2,792
Sheriff Canine Fund	50,000
Assigned:	30,000
Carryover revenue - various	13,548
Unassigned (deficit)	(2,792)
Total Other Nonmajor Governmental Funds	63,548
Total	\$30,058,951
i otal	

11. Special Item

Prior to 2013, the County reported a liability for post-employment benefits based on the implicit rate subsidy related to retirees that remained on the County's health insurance plan after retirement. Effective January 1, 2014, the County no longer allows retirees to remain on the County's group health insurance plan. Therefore, as of December 31, 2013, the County is no longer reporting a post-employment benefit liability. The net other post-employment obligation as of December 31, 2012 totaled \$2,229,298.

Notes to Basic Financial Statements
December 31, 2013

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. All employees initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General category, including Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for Fond du Lac County employees covered by the WRS for the year ended December 31, 2013 was \$36,825,197; the employer's total payroll was \$38,586,344. The total required contribution for the year ended December 31, 2013 was \$5,082,764, which consisted of \$2,632,549, or 7.1% of covered payroll from the employer and \$2,450,214, or 6.7% of covered payroll from employees. \$173,115 of the required contribution for employees for the year ended December 31, 2013 was financed by the County. Total contributions for the years ending December 31, 2012 and 2011 were \$4,554,331 and \$4,626,621, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 or after April 24, 1998 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

Notes to Basic Financial Statements
December 31, 2013

The Housing Authority, a discretely presented component unit, does not provide a retirement plan for its' employees.

2. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County completes an annual review of its insurance coverage to ensure adequate coverage.

3. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations " and the "State Single Audit Guidelines" issued by the Wisconsin Department of Administration has been conducted, but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.
- b. Medicare and Medicaid cost reports of the Harbor Haven Health and Rehabilitation Enterprise Fund and the Home Health Program in the General Fund have been submitted to the appropriate authorities. These reports are subject to audit by representatives of these programs, which may result in increases or decreases in funding.
- c. From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

4. Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all of Wisconsin cities, villages, towns and counties. For the 2013 and 2014 budget year, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1st equalized value as a result of net new construction. The actual limit for the County for the 2013 budget was 0.673%. The actual limit for the County for the 2014 budget was 0.906%, plus the allowable additional 1.5% of prior year unused levy. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Conduit Debt Obligations

From time to time, the County has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, the ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Notes to Basic Financial Statements
December 31, 2013

As of December 31, 2013, there are three series of Revenue Bonds outstanding:

- The first, a \$1,000,000 Revenue Bond, Series 1998, was approved by the Fond du Lac County Housing Authority and the Fond du Lac County Board to finance the renovation and rehabilitation of existing facilities of the Fond du Lac Lutheran Home, Inc. Amendments to the original terms of this revenue bond financing for interest rate and amortization changes were authorized by the Fond du Lac County Board in April, 2014.
- The second, a reissuance of \$1,185,000 Health Care Facilities Revenue Bonds, Series 2000, closed in December, 2003, was approved by the Fond du Lac County Board to finance the acquisition and capital improvements of facilities of the ARC of Fond du Lac, a Wisconsin nonprofit corporation. These bonds are a limited obligation of the County payable solely from revenues received by the County pursuant to a note and sale agreement with the ARC of Fond du Lac.
- The third, a \$2,300,000 Industrial Development Revenue Bond, Series 2012, was approved by the Fond du Lac County Board in December, 2012 to finance the construction of a dairy goat milk production facility (LaClare Farms Project).

6. Conduit Debt Obligation with County Guaranty

Also outstanding as of December 31, 2013, is a \$5,835,000 Midwestern Disaster Area Fixed Rate Revenue Bonds, Series 2012 (Bug Tussel Wireless, LLC Project), with a County Guaranty. The Bonds were approved by the Fond du Lac County Board in December, 2012 to provide a loan to Bug Tussel Wireless, LLC to construct and install telecommunications infrastructure to facilitate voice and broadband internet service in Adams County and Fond du Lac County. Debt service on the bonds is secured by Bug Tussel's pledge to make payments to the Trustee. In addition, the participating counties have pledged their general obligation unlimited taxing authority, through a guaranty agreement, to remedy their pro rata share (54.76% for Fond du Lac County) of any deficiency in the bonds' Debt Service Reserve Fund, should it fall below the established required level. The full pro rata amount of the bond proceeds for Fond du Lac County's project funding, \$2,676,000, is being held in the trust account by the Trustee, U.S. Bank National Association, as of December 31, 2013.

7. Subsequent Event

On February 11, 2014 the County Board authorized the issuance of \$3,000,000 of General Obligation Promissory Notes, dated March 3, 2014. The Notes are being issued for the public purpose of paying the cost of various projects listed in the first three years of the County's 2013 Five-Year Capital Improvement Plan including remodeling of various buildings, and constructing and equipping a new highway replacement garage.

8. Prior Period Adjustment

The County determined that the governmental activities overstated deferred inflows of resources related to delinquent property taxes by \$581,228 in the government wide financial statements as presented in the 2012 County Annual Financial Report. As a result, deferred inflows were decreased and ending net position was increased by \$581,228 in the governmental activities.